EASTERN INVESTMENTS LTD.

(Under Administrative Control of Government of India, Ministry of Steel)

इष्टार्न इनभेष्टमेन्ट लिमिटेड

(इस्पात मन्त्रालय, भारत सरकार के प्रसासनिक नियन्त्राधीन)

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BIRD GROUP

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Shri Santosh Kumar Sharma,
General Manager,
Securities and Exchange Board of India,
SEBI Bhavan, G-Block,
Bandra Kurla Complex ,Bandra(East),
Mumbai-400 051

16th February, 2010

Sir,

Sub: Request for "Exception" under SEBI(Informal Guidance) Scheme 2003 relating SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 for acquisition of substantial shares pursuant to Union Cabinet, Government of India Approved "Re-Structuring Scheme".

With reference to our discussions held on 15th February, 2010 and In continuation to our earlier letters on the above stated subject it is to inform that in our opinion Eastern Investments Limited (EIL) being a **Government Company** (in accordance to the following facts) is exempted from the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 hence need not to comply with the provisions of making public announcement under said SEBI Regulations.

1. More than 51% of its paid up Shares are being held by Government (directly & indirectly) as indicated in the Share holding pattern enclosed along with our earlier letter dated 29.01.2010.
2. In accordance the provisions of Act of Parliament i.e. "The Bird And Company Limited (Acquisition and Transfer Of Undertakings And Other Properties) Act, 1980" all the shares held by the company shall stand transferred to and vested in the Central Government.
3. By virtue of the above referred Act the total Management of the Companies including that of EIL, The Orissa Minerals Development Company Limited (OMDC) and The Bisra Stone Lime Company Limited (BSLC) have been vested on the Central Government and due to this the Board Of Directors of these Group Companies are being appointed/ nominated by the Central Government.
4. In view of the aforesaid reasons all the companies as referred above i.e. EIL, OMDC & BSLC are Group Companies under the same management. Status of 'the Companies Under the same management' has been disclosed in the Annual Reports.
5. On consideration of above stated facts EIL comes under the preview of CAG Audit.
6. It is the fact that that the said "Restructuring Scheme" involving EIL, OMDC & BSLC have been drafted by Ministry of Steel and have been dully vetted by Ministry of Corporate Affairs, Ministry of Labour & Employment, Department of Corporate Affairs, Planning Commission & Department Of Public Enterprises, Ministry Of Finance. The said Restructuring Scheme has been shown to the PMO and has been dully approved by the Union Cabinet in its meeting held on 10.09.2009.

In view of the above stated facts, the proposed substantial acquisitions of Shares of OMDC & BSLC by EIL under the "Restructuring Scheme" in accordance with law i.e., The Bird And Company Limited (Acquisition and Transfer Of Undertakings And Other Properties) Act,1980 and same has been duly approved by the Union Cabinet. Hence, the proposed acquisition of shares by EIL may be treated as exempted transactions under either of the following categories:

a) Regulation 3(1)(h) of Takeover Regulations i.e., *Acquisition of shares by Government companies within the meaning of section 617 of the Companies Act, 1956 (1 of 1956), and statutory corporations*
b) Regulation 3(1)(h) of Takeover Regulations i.e., *Group coming within the definition of group as defined in the Monopolies and Restrictive Trade Practices Act, 1969 (54 of 1969) where persons constituting such group have been shown as group in the last published Annual Report of the target company.*
c) Regulation 3(1)(e)(iii)(b) of Takeover Regulations i.e., *Qualifying promoters as both the transferee i.e. EIL and transferor i.e., Government of India are disclosed as promoters of OMDC and BSLC.*

As the decision of the Union Cabinet needs to be complied and implemented immediately, we request you to consider our stand as stated at 'a' above and if the same is considered to be applicable then our request for informal guidance vide application dated December 22, 2009 may be treated as withdrawn.

Thanking You,

Yours faithfully

For Eastern Investments Limited

16/2/X

(CHAMPAK BANERJEE)
Executive Director (F&A)